



2003  
Annual Report  
to the  
Public Service Commission

**PRIVATE UTILITY  
ANNUAL REPORT**  
Class C or D

**St. Croix Valley Natural Gas Company, Inc.**  
212 N. Main Street, River Falls, WI 54022

For the year ended December 31, 2003

**SIGNATURE PAGE**

I, Donald J. Piepgras, of St. Croix Valley Natural Gas Company, Inc.,  
certify that I am the person responsible for accounts, that I have examined  
the following report and to the best of my knowledge, information and  
belief, it is a correct statement of the business and affairs of said utility  
for the period covered by the report in respect to each and every matter  
set forth therein.

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(Signature)

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(Date)

Donald J. Piepgras  
President

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## IDENTIFICATION AND OWNERSHIP

Exact Utility Name: St. Croix Valley Natural Gas Company, Inc.  
Utility Address: 212 N. Main Street, River Falls, WI 54022  
When was the utility organized? May 18, 1962

Report any change in name and the effective date: None

Officer in charge of correspondence concerning this report

Name: Donald J. Piepgras, President  
Office address: P.O. Box 6, River Falls, WI 54022  
Telephone: (715) 425-6177

Give name and address of individual or firm, if other than utility employee, preparing this report:

Larson, Allen, Weishair & Co., LLP  
2411 N. Hillcrest Pkwy, P.O. Box 810, Eau Claire, WI 54702  
(715) 852-1100

List companies owned, controlled, or operated and form and extent of such ownership, control or operation: None

## OFFICERS AND DIRECTORS

Name, Title/Occupation and Business Address	Length of Term	Term Expires	Meetings Attended
Donald J. Piepgras President* and Treasurer*			2
Martha W. Piepgras Vice President* and Secretary*			2
Vernon Lindquist (term ended May 2002)			0
Judith Snoeyenbos Assistant Treasurer			0
Dr. Richard P. Piepgras*			2
George A. Hauser			2
*Terms are continuous			

## COMMON STOCKHOLDERS

From the stockholder list nearest the end of the year report the greater of: 1) the ten largest shareholders of voting securities or 2) all shareholders owning 5% or more of voting securities. List names, addresses and shareholdings.  
If any stock is held by a nominee give known particulars as to the beneficiary. (See s.196.795(1)(c), Wis. Stats., for definition of beneficiary).

Date of stockholder's list nearest end of year: December 31, 2003

\*Number of stockholders on above date: Common - 4 Preferred - 0 Total - 4  
\*Number of stockholders in Wisconsin: Common - 3 Preferred - 0 Total - 3  
Percent of outstanding stock owned by Wisconsin stockholders Common - 99.86% Preferred - N/A

*\*include shares held by depositories (if known)*

Name and address	No. of shares common stock
Donald J. Piepgras 1619 Golf View Drive River Falls, WI 54022	300,866
Martha W. Piepgras 1619 Golf View Drive River Falls, WI 54022	15,500
Dr. Richard P. Piepgras 9913 Legionville Drive North Brainerd, MN 56401	450
Vernon E. Lindquist Trust c/o Gerald Lindquist 719 Green Street Hudson, WI 54016	100
<b>TOTAL</b>	<b>316,916</b>

**INCOME AND RETAINED EARNINGS STATEMENT**

<b>Particulars</b>	<b>Acct. No.</b>	<b>Page</b>	<b>This Year</b>	<b>Last Year</b>
<b>UTILITY OPERATING INCOME</b>				
Operating Revenues	400	G-1	7,117,125	5,563,580
Operating Expenses				
Operation expense	401	G-3	6,566,429	5,050,127
Maintenance expense	402	G-3	61,319	41,994
Depreciation expense	403	G-1	162,816	176,541
Amortization expense	404-406		12,937	
Amortization of property losses	407			
Taxes other than income taxes	408.1	G-1	110,812	115,052
Income taxes	409.1	G-1	-	-
Invest. tax cr., defer. to future periods	412.1			
Invest. tax cr., restored to oper. income	412.2			
Total operating expenses		G-1	6,914,313	5,383,714
Operating income		G-1	202,812	179,866
Income from utility plant leased to others	413	F-3	-	-
Gains (losses) from disp. of utility property	414	F-3	-	65,588
<b>Total operating income</b>			<b>202,812</b>	<b>245,454</b>
<b>OTHER INCOME AND DEDUCTIONS</b>				
Other Income:				
Income from merch., jobbing and contr. work	415-416	F-2	24,907	29,839
Income from non-utility operations	417	F-3	-	-
Nonoperating rental income	418	F-3	-	-
Interest and dividend income	419	F-3	2,011	2,372
Allowance for funds used during construct.	420			
Misc. nonoperating income	421	F-3	-	37,413
Gains (losses) from disposition of property	422	F-3	-	-
Total other income			26,918	69,624
Other income deductions:				
Miscellaneous amortization	425	F-3	-	-
Miscellaneous income deductions	426	F-3	4,438	4,825
Total other income deductions			4,438	4,825
Taxes applicable to Other Income and Deductions				
Taxes other than income taxes	408.2			
Income taxes	409.2		(342)	(33,204)
Investment tax cr., nonutility oper., net	412.4			
Total taxes on other income & ded.			(342)	(33,204)
<b>Net other income and deductions</b>			<b>22,822</b>	<b>98,003</b>
<b>INTEREST CHARGES</b>				
Interest on long-term debt	427		53,099	48,511
Amortization of debt discount and expense	428			494
Amortization of premium on debt -- Cr.	429			
Interest on debt to assoc. companies	430			
Other interest expense	431		836	1,324
<b>Total interest charges</b>			<b>53,935</b>	<b>50,329</b>
<b>Income before extraordinary items</b>			<b>171,699</b>	<b>293,128</b>
<b>EXTRAORDINARY ITEMS</b>				
Extraordinary income	433			
Extraordinary deductions	434			
Income taxes, extraordinary items	409.3			
<b>Total extraordinary items</b>			<b>-</b>	<b>-</b>
<b>Net Income</b>			<b>171,699</b>	<b>293,128</b>

**INCOME AND RETAINED EARNINGS STATEMENT (Cont.)**

<b>Account</b>	<b>Acct. No.</b>	<b>Page</b>	<b>This Year</b>	<b>Last Year</b>
<b>RETAINED EARNINGS</b>				
Unappropriated retained earnings (at beginning of period)			868,015	636,369
Change:				
Balance transferred from income	435	F-1	171,699	293,128
Appropriations of retained earnings	436			
Dividends declared -- preferred stock	437			
Dividends declared -- common stock	438		(120,602)	(61,482)
Adjustments to retained earnings	439			
Net charge to retained earnings			51,097	231,646
Unappropriated retained earnings (at end of period)			919,112	868,015

**INCOME FROM MERCH., JOBBING & CONTRACT WORK (Accts. 415-416)**

<b>Particulars</b>	<b>Water</b>	<b>Other</b>	<b>Total</b>
Revenues from merch., jobbing and contract work:			
Gross Sales		51,568	51,568
Deductions:			
Discounts and allowances			
Merchandise returns			
Total deductions			
Net Sales		51,568	51,568
Cost of Merchandise sold		26,661	26,661
Gross profit from sales		24,907	24,907
Expenses (list hereunder expenses by major classes):			
Total expenses		-	-
Net Income (or loss) before taxes		24,907	24,907

### OTHER INCOME

Report hereunder income and expenses relating to accounts 413, 414, 417, 418, 419, 421, and 422 before taxes and total for each account	
Description of Income or Expense	Amount
Income from utility plant leased to others (413): -NONE-	
Total (413)	
Income from disposition of utility property (414): Gain on Sale of Utility Property	
Total (414)	-
Income from nonutility operations (417): -NONE-	
Total (417)	
Nonoperating rental income (418): Rental Income - Nonutility Rental Expense - Nonutility	
Total (418)	-
Interest and dividend income (419): Interest income	2,011
Total (419)	2,011
Miscellaneous nonoperating income (421): Rental income - other Officer's Life Insurance	
Total (421)	-
Income from disposition of property (422): Non-utility Property	
Total (422)	-

### MISCELLANEOUS INCOME DEDUCTIONS

Report hereunder items included in accounts 425 and 426 and total for each account.	
Description of Item	Amount
Miscellaneous amortization (425): -NONE-	
Total (425)	
Miscellaneous income deductions (426): Officer's Life Insurance Donations Non-Operating Miscellaneous Expense	
Total (426)	1,892 2,546 4,438



## BALANCE SHEET

Assets and Other Debits	Page No.	Balance end of year	Balance first of year
<b>UTILITY PLANT</b>			
Utility plant (100)	F-8	5,070,923	4,847,866
Less accumulated provision for deprec. and amortization of utility plant (110)	F-8	2,790,078	2,639,311
Net utility plant		2,280,845	2,208,555
<b>OTHER PROPERTY AND INVESTMENTS</b>			
Nonutility property (121)	F-11	-	-
Less accumulated prov. for deprec. and amort. of nonutility property (122)	F-11	-	-
Net nonutility property		-	-
Other investments (124)	F-9	-	-
Special funds (125)	F-9	-	-
Total other property and investments		-	-
<b>CURRENT AND ACCRUED ASSETS</b>			
Cash and working funds (131)		51,202	123,830
Temporary cash investments (132)			
Notes receivable (141)	F-9	-	-
Customer accounts receivable (142)	F-9	1,077,925	798,851
Other accounts receivable (143)	F-9	-	-
Accum. provision for uncollectible accts. --cr. (144)	F-10	(4,000)	(4,000)
Notes receivable from associated companies (145)	F-9	-	-
Accts. receivable from associated companies (146)	F-9	-	-
Materials and supplies (154)	F-10	38,495	31,056
Gas storage (164)	F-10	-	-
Prepayments (165)	F-10	57,030	79,974
Total current and accrued assets		1,220,652	1,029,711
<b>DEFERRED DEBITS</b>			
Unamortized debt discount and expense (181)	F-11	-	-
Extraordinary property losses (182)	F-11	-	-
Other deferred debits (183)	F-11	24,795	37,732
Total deferred debits		24,795	37,732
Total assets and other debits		3,526,292	3,275,998

## NOTES TO BALANCE SHEET

### BALANCE SHEET, Cont.

Liabilities and other credits	Page No.	Balance end of year	Balance first of year
<b>PROPRIETARY CAPITAL</b>			
Common capital stock (201)	F-12	316,916	316,916
Preferred capital stock (204)	F-12		-
Other paid-in capital (207)		120,539	120,539
Installments received on capital stock (212)			
Capital stock expense (214)			
Retained earnings (215 - 216)	F-12	919,112	868,015
Reacquired capital stock (217)			
Non-corporate proprietorship (218)			
Total proprietary capital		1,356,567	1,305,470
<b>LONG-TERM DEBT</b>			
Bonds (221)	F-12	-	-
Advances from associated companies (223)	F-12	-	-
	F-12	795,484	900,993
Total long-term debt		795,484	900,993
<b>CURRENT AND ACCRUED LIABILITIES</b>			
Notes payable (231)	F-13	75,092	11,368
Accounts payable (232)		1,025,985	857,272
Notes payable to associated companies (233)	F-13	-	-
Accounts payable to associated companies (234)	F-13	-	-
Customer deposits (235)		24,092	14,362
Taxes accrued (236)	F-13	-	-
Interest accrued (237)	F-14	-	-
Other current and accrued liabilities (238)		45,777	41,467
Total current and accrued liabilities		1,170,946	924,469
<b>DEFERRED CREDITS</b>			
Unamortized premium on debt (251)	F-11	-	-
Customer advances for construction (252)		202,945	144,541
Other deferred credits (253)		350	525
Accumulated deferred investment tax credits (255)	F-14		
Total deferred credits		203,295	145,066
<b>OPERATING RESERVES</b>			
Property insurance reserve (261)			
Injuries and damages reserve (262)			
Pensions and benefits reserve (263)			
Miscellaneous operating reserves (265)			
Total operating reserves		-	-
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>			
Contributions in aid of construction (271)	F-15	-	-
<b>Total liabilities and other credits</b>		3,526,292	3,275,998

### NOTES TO BALANCE SHEET

## RETURN ON COMMON EQUITY COMPUTATION

Report data on a corporate basis; not a consolidated basis.		
Description	Thousands of dollars	
	Common Equity	Common Equity Plus ITC
<b>Average Common Equity:</b> (based on monthly averages if available, otherwise use average of beginning and end of year)		
Common Stock Outstanding	317	317
Premium on Capital Stock	121	121
Capital Stock Expense		
Retained Earnings	894	894
Deferred Investment Tax Credit		
Other (Specify)		
<b>Total Average Common Stock Equity (Sum of Lines Above)</b>	<b>1332</b>	<b>1332</b>
<b>Net Income:</b>		
Add:		
Net Income	172	172
Other (Specify):		
Less:		
Preferred Dividends		
Other (Specify):		
<b>Adjusted Net Income</b>	<b>172</b>	<b>172</b>
<b>Percent Return on Equity (to nearest hundredth of a percent)</b>	<b>12.91%</b>	<b>12.91%</b>

### RETURN ON RATE BASE COMPUTATION

Report data on a corporate basis; not a consolidated basis.				
Thousands of Dollars				
Average Rate Base	Electric	Gas	Other	Total
Add Average:				
Utility Plant in Service		4959		4959
Allocation of Common Plant				
Completed Const. not Classif.				
Nuclear Fuel				
Materials and Supplies		34		34
Other (Specify)				
Less Average:				
Reserve for Depreciation		(2715)		(2715)
Amortization Reserves				
Customer Advances For Construction				
Contributions in Aid of Construction				
Other				
Average Net Rate Base		2278		2278
RETURN				
Total Operating Income		232		232
Less: (Specify)				
Adjusted Operating Income		232		232
Adjusted Operating Income as a Percent of Average Net Rate Base (Rounded To Nearest Hundredth of a Percent)		10.18%		10.18%

### REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

Report data necessary to calculate revenue subject to Wisconsin remainder assessment. For purposes of this schedule "out-of-state" and "in-state" refer to the geographic state of Wisconsin	
Description	This Year
Operating revenues - see G-1	7,117,125
Less: out-of-state operating revenues	
Less: in-state interdepartmental sales	
Less: current year write-offs of uncollectible accounts - Wisconsin utility customers only	(18,181)
Plus: current year collection of Wisconsin utility customer accounts previously written off	2,906
Other	
Revenues subject to Wisconsin remainder assessment	7,101,850

### NET UTILITY PLANT

Report utility plant accounts and related accumulated provisions for depreciation and amortization by utility departments after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.			
Particulars	Water	Other	Total
Plant accounts (101-109):			
Utility plant in service (101) - see G-5		5,070,923	5,070,923
Construction work in progress (107)			-
Other - (105)			-
Total utility plant (100)		5,070,923	5,070,923
Accumulated prov. for deprec. & amortization of utility plant (110)			2,790,078
Net utility plant			2,280,845

### ACCUM. PROV. FOR DEPREC. & AMORTIZATION OF UTILITY PLANT

Particulars	Water	Other	Total
Balance first of year		2,639,311	2,639,311
Credits during year:			
Accruals charged depreciation account		175,753	175,753
Accruals charged other accounts (specify):			-
Salvage			-
Other credits (specify):			-
			-
Total credits		175,753	175,753
Total		2,815,064	2,815,064
Debits during year:			
Book cost of plant retired		1,804	1,804
Cost of removal			-
Other debits (Specify):			-
CIAC Amortization		(26,790)	(26,790)
			-
Total debits		(24,986)	(24,986)
Balance end of year		2,790,078	2,790,078

### OTHER INVESTMENTS AND SPECIAL FUNDS (Accts. 124 & 125)

Report hereunder all investments carried in account 124, Other investments and in account 125, Special Funds. Show total by accounts.		
Description of Security or Special Fund	Face or par value	Book cost end of year
Other Investments (124):		
Total		-
Special Funds (125):		
Total		-

### NOTES AND ACCOUNTS RECEIVABLE (Accts. 141-146)

Report hereunder notes and accounts receivable included in accounts 141, 142, 143, 145, and 146.		
Particulars	Accounts Receivable	Notes Receivable
Customer accounts receivable (142):		
Electric		
Water		
Gas	1,075,057	
Heating		
Merchandising, jobbing and contract work	2,868	
Total customer accounts receivable	1,077,925	
List below items included in accounts 141, 143, 145 and 146, showing total for each account.		
Notes receivable (141) (list):		
None		
Total	-	
Other accounts receivable (143) (list):		
Total	-	
Notes receivable from assoc. comp. (145) (list):		
Total	-	
Accts. receivable from assoc. comp. (146) (list):		
Total	-	

**ACCUM. PROV. FOR UNCOLLECTIBLE ACCTS. (Acct. 144)**

Particulars	Amount
Balance first of year	4,000
Add:	
Provision for uncollectibles during year	15,275
Collection of accounts previously written off	2,906
Utility accounts	
Others	
Total additions	18,181
Deduct accounts written off during year:	
Utility accounts	(18,181)
Others	
Total accounts written off	(18,181)
Balance end of year	4,000

Particulars	Generation Related	Transmission Related	Distribution Related	Other	Balance end of year
Electric utility					
Fuel					
Other					
Total electric					
Water utility					
Sewer utility					
Gas utility - Propane					
Merchandise					2,806
Other Materials & Supplies					35,689
Total Material & Supplies					38,495

**GAS STORAGE (Acct. 164)**

Particulars	Amount
Balance first of year	
Add:	
Commodity Storage Fees (164.11)	
Commodity Injection Fees (164.12)	
Commodity Withdrawal Fees (164.13)	
Other Storage Fees (164.14)	
Gas Commodity Costs Transferred to Storage - Dr. (164.23 or 164.33)	
Gas Transmission Expenses, Transferred to Storage - Dr. (164.53)	
Total additions	-
Deduct:	
Stored Gas Sold (164.16)	
Stored Gas Withdrawn for System Use (164.62)	
Stored Gas Forfeited (164.63)	
Total deductions	-
Balance end of year	-

**PREPAYMENTS (Acct. 165)**

Particulars	Balance end of year
Prepaid insurance	-
Prepaid rents	-
Prepaid postage	2,532
Prepaid PSC of Wis. remainder assessment	5,283
Other prepayments (specify):	
Pre-paid Billing Supplies	3,835
Pre-paid Gross Receipts Tax	45,380
Total	57,030

### NET NON-UTILITY PROPERTY (Accts. 121-122)

Report separately each item of property with a book cost of \$5,000 or more included in account 121. Other items may be grouped by classes of property.

Description	Balance first of year	Additions during year	Deductions during year	Balance end of year
Non-utility Property				-
Total nonutility property (121)	-	-	-	-
Less accum. prov. for dep. & amort. (122)	-			-
Net nonutility property	-	-	-	-

### UNAMORT. DEBT DIS. & EXP. & PREMIUM ON DEBT (Accts. 181&251)

Report net discount and expense or premium separately for each security issue.

Debt Issue to Which Related	Amount written off during year	Balance end of year
Unamortized debt discount and expense (181):		
Unamortized Debt Expense		0
Total (181)	0	0
Unamortized premium on debt (251):		
-NONE-		
Total (251)		

### MISCELLANEOUS DEFERRED DEBITS (Accts. 182 & 183)

Describe major items included in these accounts.

Name of account and description of item	Balance end of year
Extraordinary property losses (182):	
-NONE-	
Total (182)	
Other deferred debits (183):	
Hammond Upgrade	24,795
Deferred Rate Case Expense	
Total (183)	24,795



**CAPITAL STOCK Accts. 201 and 204)**

Particulars	Common Stock (201)	Preferred Stock (204)
Par or stated value per share	1.00	0
Total par value provided in articles of incorporation	500,000	0
Total par value issued	316,916	0
Dividends declared per share for year		0

**RETAINED EARNINGS (Accts. 215-216)**

Particulars	Appropriated -215	Unapprop'd -216
Balance first of year		868,015
Changes during year (explain):		
Net Income - see page 6		171,699
Cash Dividends - see page 7		(120,602)
Balance end of year		919,112

**LONG-TERM DEBT (Accts. 221, 223 and 224)**

Report hereunder information for each separate issue of debt and total for each account. Show principal amount to which each interest rate applies.					
Description of obligation	Nom. date of issue	Date of maturity	Interest		Prin. amount per bal. sheet
			Rate	Dates	
Bonds (221):					
Total (221)					
Advances from affiliates (223):					
Total (223)					
Other long-term debt (224):					
US Bank Wisconsin		Sept. 27, 2007	5.85%	Monthly	230,313
US Bank Wisconsin	Sept. 1, 2001	Sept. 1, 2007	6.35%	Monthly	559,362
Land Contract Assessment for Water and Sewer	Jan. 1, 1996	Jan. 1, 2008	6.00%	Yearly	5,809
Total (224)					795,484

### NOTES AND ACCOUNTS PAYABLE (Accts. 231, 233 and 234)

Report details of Notes Payable (231) and of Notes and Accounts Payable to Associated Companies (233 and 234) as of end of year. Give description of notes including interest rates and dates of issue.	
Description	Amount
Notes payable (231): US Bank-Line of Credit	75,092
Total (231)	75,092
Notes payable to associated companies (233):	
Total (233)	
Accounts payable to associated companies (234):	
Total (234)	

### TAXES ACCRUED (Acct. 236)

Particulars	Water	Electric	Gas	Total
Balance first of year				-
Accruals charged during year:				-
Wisconsin ad valorem tax				-
Local property tax				-
State income tax				-
Federal income tax				-
W.P.S.C. remainder assessment			-	-
Social Security taxes				-
Other (specify):				-
State and Federal Excise				-
Total credits			-	-
Total			-	-
Taxes paid during year:				-
Wisconsin ad valorem tax				-
Local property tax				-
State income tax				-
Federal income tax				-
W.P.S.C. remainder assessment				-
Social Security taxes				-
Other (specify):				-
State and Federal Excise				-
Total debits			-	-
Balance end of year			-	-

### INTEREST ACCRUED (Acct. 237)

Report below interest accrued on each utility obligation and total by each class of obligation.				
Description of Obligations	Interest accrued bal. 1st of year	Interest accrued during year	Interest paid during year	Interest accrued bal. end of year
Bonds (list each issue)				
Total				
Advances from assoc. companies				
Total				
Other long-term debt:				
US Bank Wisconsin	0	53,008	53,008	0
	0			0
Other	0	354	354	0
Other		30	30	
Total	0	53,392	53,392	-
Notes payable:				
US Bank Wisconsin	0	543	543	0
	0			0
	0			0
Total	0	543	543	0

### ACCUM. DEFERRED INVESTMENT TAX CREDITS (Acct. 255)

Description	Bal. first of year	Charges during year	Credits during year	Bal. end of year
Electric				
Gas				
Water				
Heating				
Total utility				
Non-utility				
Total				

### CONTRIBUTIONS IN AID OF CONSTRUCTION (Acct. 271)

Class of utility service	Balance first of year	Credits during year	Charges during year		Balance end of year
			Acct. no. Credited	Amount	
Electric- Transmission Distribution Other					
Total					
Gas water Steam Heating					0
Total					0

Show total compensation paid each elected officer during the year, including bonuses and other allowances. Furnish particulars as to bonuses or allowances. Show final distribution of payroll including amounts from clearing accounts.		
OFFICER'S COMPENSATION		
Name	Official Title	Total compensation
Donald J. Piepgras	President and Treasurer	102,309
Martha W. Piepgras	Vice President & Sec'y	63,698
Judith G. Snoeyenbos	Asst. Treasurer	45,130
Total		211,137

### DISTRIBUTION OF TOTAL PAYROLL

Accounts Charged	Amount
Water operating expenses	
Electric operating expenses	
Gas operating expenses	463,993
Heating operating expenses	
Merchandising & jobbing	11,701
Other nonutility expenses	
Utility plant accounts	51,259
Accum. prov. for deprec. of plant	
Total all other accounts	
Total payroll	526,953

### **IMPORTANT CHANGES DURING THE YEAR**

Report changes of any of the following types:

- 1) Acquisitions, mergers, consolidation, or reorganization with other companies.
- 2) Details of new or significant changes in leasehold arrangements.
- 3) Estimated changes in revenues due to rate changes.
- 4) Obligations incurred or assumed, excluding commercial paper.
- 5) Changes in articles of incorporation or amendments to charter.
- 6) Docketed proceedings with the Commission.
- 7) Any additional matters.

None.

### GAS OPERATING REVENUES AND EXPENSES (Class C and D)

Particulars	Rate schedule designation	Therms sold	Average number customers	Amount
<b>OPERATING REVENUES</b>				
<b>SALES OF GAS</b>				
Residential sales (480)	Rg-1	5,830,968	5,704	4,588,845
Commercial and industrial sales (481)	Cg-1	2,490,307	504	1,793,961
	Ig-1	382,311	5	228,698
	Ig-2	594,546	2	343,353
	Pg-1	204,241	1	127,236
Sales for resale (483)				
Interdepartmental sales (484)				
Total sales of gas		9,502,373	6,216	7,082,093
<b>OTHER GAS REVENUES</b>				
Forfeited discounts (487)				30,328
Miscellaneous service revenues (488)		See page G-2		4,140
Transportation of gas of others (489)				
Rent from gas property (493)		See page G-2		-
Interdepartmental rents (494)		See page G-2		-
Other gas revenues (495)		See page G-2		564
Total other operating revenues				35,032
Total operating revenues (400)				7,117,125
<b>OPERATING EXPENSES</b>				
Total operating and maintenance expenses		See page G02		6,627,748
Depreciation expenses (403)				162,816
Amortization of limited-term utility plant (404)				12,937
Amortization of other utility plant (405)				
Amortization of utility plant acquisition adjustments (406)				
Amortization of property losses (407.1)				
Taxes other than income taxes (408.1)		See below		110,812
Income taxes (409.1)		See below		-
Investment tax credits, deferred to future periods (412.1)				
Investment tax credits, restored to operating income (412.2)				
Total operating expenses				6,914,313
<b>Operating income</b>				202,812

### TAXES OTHER THAN INCOME TAXES (Acct. 408.1)

Where allocation of taxes is made between departments, explain method used.		
Description of Tax	Method used to allocate between departments	Amount
Property tax	N/A	
Social Security	N/A	35,065
Wis. gross receipts tax	N/A	68,887
Others (specify):	N/A	
Wisconsin Remainder	N/A	6,860
Total		110,812

### INCOME TAXES (Acct. 409.1)

Where allocation of taxes is made between departments, explain method used.		
Description of Tax	Method used to allocate between	Amount
Federal	N/A	
State	N/A	
Total		0

### OTHER OPERATING REVENUES (Accts. 488, 493, 494 & 495)

Show separate totals for each account and explain major items of each account, grouping minor items by classes.	
Particulars	Amount
Miscellaneous service revenues (488) Turn on fees	4140
Total	4140
Rent from gas property (493) -NONE-	
Total	
Interdepartmental rents (494) -NONE-	
Total	
Other gas revenue (495) Sales tax discount	564
Total	564

### INJURIES AND DAMAGES INSURANCE

What insurance coverage does utility carry for injury and damage claims of customers or the general public?
General Liability - \$1,000,000 - \$3,000,000
Umbrella Liability - \$2,000,000

**OPERATION AND MAINTENANCE EXPENSES (Class C and D)**

Particulars	Operation Exp.	Mainten. Exp.
<b>MANUFACTURED GAS PRODUCTION</b>		
Supervision and labor (710)		
Fuel (724.1)		
Raw materials (729.1)		
Residuals produced --credit (731)		
Rents (736)		
Supplies and expenses (737)		
Maintenance of production plant (743)		
Total manufactured gas production	-	-
<b>OTHER GAS SUPPLY EXPENSES</b>		
Natural gas purchases (804) - See page 25 for detail.	5,634,736	
Purchased gas expenses (807)		
Gas used in utility operation --credit (812.1)	(2,660)	
Total other gas supply expenses	5,632,076	-
<b>DISTRIBUTION EXPENSES</b>		
Supervision (870)	44,740	
Mains and service expense (874)	69,438	
Meter and house regulator expenses (878)	17,146	
Customer installation expenses (879)	4,005	
Miscellaneous distribution expenses (880.1)	76,608	
Rents (881)		
Maintenance of lines (892.1)		18,819
Maintenance of meters and house regulators (893)		24,578
Maintenance of other plant (895)		17,922
Total distribution expenses	211,937	61,319
<b>CUSTOMER ACCOUNTS EXPENSES</b>		
Meter reading expense (902)	89,964	
Customer Records and Collection Expense (903)	106,772	
Uncollectible accounts (904)	12,369	
Total customer accounts expenses	209,105	-
<b>CUSTOMER SERVICE EXPENSES</b>		
Customer service & information expenses (906)	31,477	
<b>SALES PROMOTION EXPENSES</b>		
Sales expenses (917)		
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>		
Administrative and general salaries (920)	119,705	
Office supplies and other expenses (921)	42,816	
Administrative expense transferred -- credit (922)		
Outside services employed (923)	18,949	
Property insurance (924)	23,087	
Injuries and damages (925)	17,189	
Employee pensions and benefits (926)	114,352	
Franchise requirements (927)		
Regulatory commission expenses (928)	7,965	
Duplicate charges --cr. (929)		
General advertising expenses (930.1)	561	
Miscellaneous general expenses (930.2)	22,689	
Rents (931)	72,647	
Transportation expenses (933)	27,529	
Maintenance of general plant (935)	14,345	
Total administrative and general expenses	481,834	-
<b>Total operation and maintenance expenses</b>	<b>6,566,429</b>	<b>61,319</b>



**NATURAL GAS PURCHASES - Acct. 804**

Particulars	Amount
<b>GAS PURCHASING EXPENSES (804.10)</b>	
Wages & Salaries (804.11)	2,780
Supplies & Expenses (804.12)	
Misc. Expenses (804.13)	-
Total (804.10)	2,780
<b>PURCHASED GAS EXPENSES (804.20)</b>	
Add:	
Gas Contract Reservation Fees (804.21)	
Gas Contract Commodity Costs (804.22)	2,632,296
Spot Purchases (804.23)	2,164,980
Other Purchases (804.24)	17,704
Gas Surcharges (804.25)	11,282
Financial Instruments Expense (804.26)	
Gas Purchase Miscellaneous Expense (804.27)	20,465
Total additions	4,846,727
Less	
Purchased Gas Sold - Cr. (804.32)	
Gas Commodity Costs, Transferred to Storage - Cr. (804.33) = (164.23 or 164.33)	
Gas Used in Operations - Cr. (804.34)	
Gas Used for Transmission Pumping & Compression - Cr. (804.35)	53,804
Total deductions	53,804
Net end of year (804.20)	4,792,923
<b>GAS TRANSMISSION EXPENSES (804.40)</b>	
Add:	
Transmission Contract Reservation Fees (804.41)	817,653
Commodity Transmission Fees (804.42)	23,279
Gas Transmission Surcharges (804.43)	5,949
Gas Transmission Fuel Expense (804.44) = (804.35)	53,804
No Notice Service Fees (804.45)	16,563
Other Transmission Services Purchased (804.46)	
Agency Fees and Expenses (804.47)	
Misc. Transmission Expenses (804.48)	
Penalties, Unauthorized Use and Overrun, Utility (804.49)	
Penalties, Unauthorized Use and Overrun, End-User (804.51)	
Total additions	917,248
Less	
Transmission Services Sold - Cr. (804.52)	78,215
Gas Transmission Expense, Transferred to Storage - Cr. (804.53) = (164.53)	
Gas Transmission Expense, Used in Operations - Cr. (804.54)	
Total deductions	78,215
Net end of year (804.40)	839,033
<b>STORAGE GAS EXPENSE (804.60)</b>	
Add:	
Storage Reservation Fees (804.61)	-
Gas Costs from Storage (804.62) = (164.62)	-
Storage Penalties (804.63) = (164.63)	
Total additions	-
Less	
Storage Capacity Released or Sold (804.72)	
Total deductions	-
Net end of year (804.60)	-
<b>TOTAL - NATURAL GAS PURCHASES - Acct. 804</b>	<b>5,634,736</b>

**GAS UTILITY PLANT IN SERVICE (Acct. 101) (Class C&D)**

Include in column (e) entries reclassifying property from one account to another.					
Account (a)	Balance 1st of year (b)	Additions during year (c)	Retirements during year (d)	Adjustments increase or (decrease) (e)	Balance end of year (f)
<b>INTANGIBLE</b>					
Organization (301)	2,180				2,180
Franchises and consents (302)	37,212				37,212
Miscellaneous intangible plant (303)	16,233	735			16,968
Total intangible plant	55,625	735			56,360
<b>PRODUCTION</b>					
Land and land rights (304)	-				-
Structures and improvements (305)	-				-
Liquefied petroleum gas equip. (311)	-				-
Total production plant	-			-	-
Land and land rights (360)	-				-
Structures and improvements (361)	-				-
Gas holders (362)	-				-
Total storage plant	-	-	-		-
<b>TRANSMISSION</b>					
list accounts:					
Total transmission plant	-	-	-		-
<b>DISTRIBUTION</b>					
Land and land rights (374)	40,907				40,907
Structures and improvements (375)	167,286				167,286
Mains (376)	2,219,032	59,626			2,278,658
Compressor station equipment (377)	-				-
Meas. and reg. sta. eq-gen'l. (378)	105,135	20,363			125,498
Meas. and reg. sta. eq.-cty. gate (379)	55,159				55,159
Services (380)	893,822	41,266	1,249		933,839
Meters (381)	589,953	61,860	7,401		644,412
House regulators (383)	171,594	10,206	1,791		180,009
Ind. meas. and reg. sta. eq. (385)	49,509	497			50,006
Property on customers' premises (386)	11,650				11,650
Total distribution plant	4,304,047	193,818	10,441		4,487,424
<b>GENERAL</b>					
Land and land rights (389)	-				-
Structures and improvements (390)	4,398				4,398
Office furniture and equipment (391)	225,722	17,078	2,111		240,689
Transportation equipment (392)	99,697	17,560			117,257
Stores equipment (393)	-				-
Tools, shop and garage equipment (394)	39,725	6,418			46,143
Laboratory equipment (395)	-				-
Power-operated equipment (396)	103,860				103,860
Communication equipment (397)	14,792				14,792
Miscellaneous equipment (398)	-				-
Other tangible property (399)	-				-
Total general property	488,194	41,056	2,111		527,139
Total gas utility plant	4,847,866	235,609	12,552		5,070,923

### SUMMARY OF GAS ACCOUNT

Report below the specified information for each operating area constituting a separate gas system				
Particulars (a)	Total all system therms (b)	System therms ©	System therms (d)	System therms (e)
System Name		River Falls	Prescott	Hammond
Gas produced (gross):				
Propane-air	0			
other gas				
Total gas produced	0			
Gas purchased:				
Natural	9,478,060	6,612,310	1,845,660	1,020,090
Other gas				
Total gas purchased	-			
Less: Gas delivered to storage				
Total (lines 14+18+19-20)	9,478,060	6,612,310	1,845,660	1,020,090
Transport gas received				
Total gas del. to mains (lines 21+22)	9,478,060	6,612,310	1,845,660	1,020,090
Gas sold (incl. interdepartmental)	9,502,373	6,588,520	1,883,835	1,030,018
Gas used by utility	4,263	4,263		
Transport gas delivered				
Total (lines 24+25+26)	9,506,636	6,592,783	1,883,835	1,030,018
Gas unaccounted for (line 23-27)	(28,576)	19,527	(38,175)	(9,928)

### SUMMARY OF SYSTEM LOAD STATISTICS

Report below the data specified for each operating area constituting a separate gas system.				
Particulars (a)	Total all system therms (b)	System therms ©	System therms (d)	System therms (e)
System Name		River Falls	Prescott	Hammond
Maximum send-out in any one day	79,480	57,180	15,970	8,410
Date of such maximum (mo./day/yr.)	1/23/2003	1/23/2003	1/22/2003	1/22/2003
Maximum daily capacity				
Total manufactured-gas production capacity				
Liquefied natural gas storage capacity				
Maximum daily purchase capacity	90000	60900	19500	9600
Total maximum daily capacity: production liquefied natural gas storage, and purchases	90000	60900	19500	9600
Monthly send-out: January	1,683,240	1,138,950	354,790	189,500
February	1,458,370	970,970	315,710	171,690
March	1,104,630	738,170	237,070	129,390
April	704,460	509,670	126,030	68,760
May	395,300	296,800	61,160	37,340
June	257,430	196,360	38,470	22,600
July	262,440	208,340	33,140	20,960
August	309,910	254,860	33,360	21,690
September	340,750	262,050	48,010	30,690
October	601,890	434,010	106,980	60,900
November	1,027,490	700,340	210,330	116,820
December	1,332,150	901,790	280,610	149,750
Total send-out	9,478,060	6,612,310	1,845,660	1,020,090

Where data are requested for each item of equipment, the number of items of each size or description should be shown.			
Particulars	Plant	Plant	Plant
LIQUEFIED PETROLEUM APPARATUS			
Plant name			
Number of tanks for storing liquefied petroleum gas			0
Total capacity in gallons			0
OTHER GAS PRODUCTION APPARATUS			
Type			
Total maximum daily capacity			0
Description (specify appropriate data):			
<b>This plant was retired in 2002</b>			

<b>Location of plant</b>	<b>Type of plant</b>	<b>Maximum daily capacity Therms</b>	<b>Therms produced during year</b>	<b>Total investment end of year</b>	<b>Total production expense for year</b>
(a)	(b)	(c)	(d)	(e)	(f)
TOTAL					0

Location	Telescopic & piston holders		Pressure holders		
	Number	Capacity therms	Capacity at atmos. pressure	Design pressure	Operated pressure
None					

### PURCHASED GAS

Report below the specified information for each point of metering			
Particulars (a)	(b)	(c)	(d)
Name of vendor		BP Canada	
Point of metering		Hammond	
Type of gas purchased		Natural	
Therms of gas purchased:		1,020,090	
Total cost of gas purchased		\$ 523,588	
Average cost per therm of gas purchased:		\$ 0.5133	
Maximum therms purchased in any one day		8,410	
Date of such maximum purchase (day/mo./yr.)		1/22/2003	
Average B.t.u. content per cu. ft. of gas		1.008	
Name of vendor		BP Canada	
		Prescott	
Type of gas purchased		Natural	
Therms of gas purchased:		1,845,660	
Total cost of gas purchased		\$ 947,334	
Average cost per therm of gas purchased:		\$ 0.5133	
Maximum therms purchased in any one day		15,970	
Date of such maximum purchase (day/mo./yr.)		1/22/2003	
Average B.t.u. content per cu. ft. of gas		1.008	
Name of vendor		BP Canada	
Point of metering		River Falls	
Type of gas purchased		Natural	
Therms of gas purchased:		6,612,310	
Total cost of gas purchased		\$ 4,864,868	
Average cost per therm of gas purchased:		\$ 0.5133	
Maximum therms purchased in any one day		57,180	
Date of such maximum purchase (day/mo./yr.)		1/23/2003	
Average B.t.u. content per cu. ft. of gas		1.008	

### TRANSMISSION AND DISTRIBUTION MAINS

Report the information specified regarding mains for each operating area constituting a separate gas system. Report the data for each size and type of pipe separately under each system.						
System (a)	Size of pipe (b)	Type of pipe (c)	Number of feet			
			First of year (d)	Added during year (e)	Retired during year (f)	End of year (g)
Hammond	3/4"	Plastic	992			992
	1 1/4 "	Plastic	9,734			9,734
	2"	Plastic	31,109	1,794		32,903
	1"	Steel	385			385
		Steel	17,800			17,800
	3"	Steel	2,174			2,174
Prescott	3/4"	Plastic	1,308			1,308
	1 1/4"	Plastic	5,026	8,852		13,878
	2"	Plastic	69,764	2,945		72,709
	4"	Plastic	2,884			2,884
	3/4"	Steel	520			520
	1 1/2"	Steel	1,982			1,982
	2"	Steel	35,608			35,608
	3"	Steel	8,314			8,314
	4"	Steel	3,068			3,068
	6"	Steel	3,546			3,546
River Falls	1/2 "	Plastic	340			340
	3/4"	Plastic	8,215	930		9,145
	1 1/4"	Plastic	54,156	15,428		69,584
	2"	Plastic	297,556	14,352		311,908
	3"	Plastic	12,264			12,264
	4"	Plastic	60,000			60,000
	6"	Plastic	7,784			7,784
	3/4"	Steel	147			147
	1"	Steel	1,644			1,644
	1 1/2"	Steel	457			457
	2"	Steel	88,680			88,680
	3"	Steel	12,409			12,409
	4"	Steel	31,717			31,717
	6"	Steel	13,791			13,791
	8"	Steel	9,987			9,987
TOTALS			793,361	44,301	-	837,662

### NAMES OF CITIES, VILLAGES AND TOWNS

Number of customers in each, supplied directly with gas by this utility, at end of year. Report in alphabetical order first, cities, and second, incorporated villages. Next, Report towns in alphabetical order under each county, also listed in alphabetical order. Show total for each group and for total company. (CLASS C & D)				
Location (a)	Customers end of year (b)		Location (a)	Customers end of year (b)
<b>Cities</b>			<b>Towns</b>	
Hammond (St. Croix Cty.)	670		Town of Clifton	102
Prescott (Pierce Cty.)	1,364		Town of Kinnickinnic	9
River Falls (St. Croix Cty.)	708		Town of River Falls	157
River Falls, (Pierce Cty.)	2,712		Town of Troy	652
Total Customers, cities	5,454		Total customers, towns	920
			Total customers, company	6,374

### GAS SERVICES

Number of services should include only those owned by utility							
Size (a)	Number added during year		Number retired during year		Total services end of year		
	Main to curb (b)	On customers premises (c)	Main to curb (d)	On customers premises (e)	Main to curb (f)	On customers premises (g)	
1/2"		231	231	1	1	2,681	2,681
3/4"		6	6	2	2	3,429	3,429
1"				1	1	6	6
1 1/4 "		1	1			1	1
1 1/2"						10	10
2"						53	53
4"						2	2
6"						1	1
Total		238	238	4	4	6,183	6,183
Have inactive services been retired in accordance with requirements of paragraph C of Account 380 of Uniform System of Accounts?							
Have inactive services been disconnected from the gas supply in accordance with section PSC 135.07(9) Wisc. Administrative Code?							

### GAS METERS

Number of meters should include only those carried in Utility Plant Account 381.	
Particulars (a)	Number end of year (b)
Diaphragmed meters (capacity at 1/2 inch water column pressure drop):	
2,400 cu. ft. per hour or less	6,377
Over 2,400 cu. ft. per hour	16
Rotary meters	25
Orifice meters	
Total end of year	6,418
In stock	44
Locked meters on customer's premises	9
Regular meters in customer's use	6,365
Prepayment meters in customer's use	
Meters in company use, included in Acct. 381	
Total end of year (as above)	6,418
No. of diaphragmed meters at end of year which compensate for temperature	6,393
Number of house regulators installed at end of year	5,791

Attach to this sheet a map or maps of the territory served, showing location & company designation of points of purchase, production plants, large compressor stations and transmission lines. Show also the names of larger communities served and the boundaries of the utilities operating divisions.